



SF 390 – Nuclear Power Generation (LSB 2351SV)

Analyst: Joseph Brandstatter (Phone: 515-281-8223) (joseph.brandstatter@legis.state.ia.us)

Fiscal Note Version – New

Description

Senate File 390 relates to permitting, licensing, constructing, and operating nuclear generation facilities in the State of Iowa. The Bill requires rate-regulated electric utilities to file an application with the Iowa Utilities Board (IUB) for ratemaking principles for the construction of a nuclear generating facility. The Bill states that a utility may recover all prudent costs of permitting, licensing, and construction of a nuclear facility from utility customers whether a facility is completed or not.

Background

House File 2399 (Public Utilities Nuclear Power Analysis Act) of the 2010 legislative session required certain rate-regulated public utilities to undertake analyses of and preparation for the possible construction of nuclear generating facilities in this state.

Assumptions

The IUB and the Office of Consumer Advocate (OCA) lack the technical expertise of nuclear generation licensing and approval and would need to hire specialized staff and require continuing education. Due to statutory responsibilities requiring the OCA to represent consumer interests and the public in all proceedings before the IUB, both the IUB and OCA would need a separate Nuclear Construction Engineer position.

The IUB will require the addition of 5.0 FTE positions: 1.0 Nuclear Construction Engineer, 2.0 Senior Utility Analysts, and 2.0 Utility Specialists. Due to the specialized nature and high demand of these positions, several of these hires may come from outside the State and require paid moving expenses. The IUB anticipates making these hires in the fourth quarter of FY 2011.

Additional outside consulting and continuing education for new employees will be needed by the IUB beginning in FY 2012. The hourly rate for consulting is expected to equal \$250 per hour and the IUB assumes \$5,000 in annual continuing education for each new employee annually.

The Office of the Consumer Advocate (OCA) will require the addition of 1.0 Nuclear Construction Engineer FTE position. The OCA anticipates making this hire in the beginning of FY 2012. The OCA would require approximately 200-400 hours annually of outside consulting costs beginning in FY 2012.

Fiscal Impact

Senate File 390 is expected to increase expenditures to the IUB by \$188,000 for FY 2011 and \$625,000 and 5.0 FTEs for FY 2012 and subsequent fiscal years. The OCA will see increased expenditures of \$168,000 and 1.0 FTE in FY 2012 and subsequent fiscal years.

The additional costs will have no impact on the State General Fund since both the IUB and OCA are funded by the utility industry. Both departments receive appropriations from the Department of Commerce Revolving Fund rather than the General Fund. Both the IUB and OCA will

increase assessments to the regulated public utilities by the amount specified. The regulated industry may pass the increased assessment costs on to utility customers.

Sources

Iowa Utilities Board
Office of the Consumer Advocate

/s/ Holly M. Lyons

March 15, 2011

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the correctional and minority impact statements were prepared pursuant to Code **Section 2.56**. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
